

COMMERCIAL RELATIONS

*Exchange of notes at Santiago February 20 and 24, 1939, extending provisionally agreement of January 6 and February 1, 1938*¹

Entered into force provisionally February 1, 1939

Terminated January 5, 1940, upon definitive entry into force of agreement of January 6 and February 1, 1938

53 Stat. 2177; Executive Agreement Series 144

The American Ambassador to the Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

Santiago, February 20, 1939

No. 205

EXCELLENCY:

I have the honor to confirm to Your Excellency the terms of the provisional commercial agreement which our respective Governments have agreed to establish pending the negotiation of a more comprehensive commercial agreement or of a definitive treaty of friendship, commerce and navigation, as follows:

1. The contracting parties agree to concede reciprocally unconditional and unlimited most favored nation treatment in all that concerns customs duties and all accessory imposts, the manner of applying duties as well as the rules and formalities to which customs operations can be submitted.

2. In the event that the Government of the United States of America or the Republic of Chile establishes or maintains any form of quantitative restriction or control of the importation or sale of any article in which the other country has an interest, or imposes a lower duty or charge on the importation or sale of a specified quantity of any such article than the duty or charge imposed on importations in excess of such quantity, it shall allot to the other country during any quota period a share of the total quantity of any such article permitted to be imported or sold or permitted to be imported or sold at such lower duty or charge which is equivalent to the proportion of the total importation of such article which such other country supplied during a previous representative period, unless it be mutually agreed to dispense with such allocation.

¹ EAS 119, *ante*, p. 584.

3. *a)* The Government of Chile confirms its previous declarations and reiterates that it will take the steps necessary to abolish, as soon as its international economic position permits it to do so, the exchange control measures affecting the transfer of payments for articles the growth, produce or manufacture of the United States of America.

b) Until such time the Government of Chile will avoid exchange control measures involving the use of exchange at rates higher than those which would be set by the free supply and demand of the market.

4. It is understood that the advantages now accorded or which may hereafter be accorded by the United States of America, its territories or possessions, the Philippine Islands, or the Panama Canal Zone to one another or to the Republic of Cuba shall be excepted from the operation of this Agreement; and this Agreement shall not apply in respect of advantages now accorded or which may hereafter be accorded by the United States of America or the Republic of Chile to adjacent countries in order to facilitate short frontier traffic.

5. Nothing in this Agreement shall be construed as a limitation of the right of either country to impose on such terms as it may see fit prohibitions or restrictions (1) imposed on moral or humanitarian grounds; (2) designed to protect human, animal or plant health or life; (3) relating to prison made goods; (4) relating to the enforcement of police or revenue laws; or (5) relating to the control of the export or sale for export of arms, ammunition, or implements of war, and, in exceptional circumstances, all other military supplies.

6. The agreement between the United States of America and the Republic of Chile signed September 28, 1931,² shall terminate, if it will not have already automatically terminated, on the day on which the present agreement comes into force.

7. The present agreement shall come into force definitively thirty days after the date on which it is ratified by the Chilean Congress and shall continue in force until superseded by a more comprehensive commercial agreement or by a definitive treaty of friendship, commerce and navigation, or until denounced by the Government of either country by advance written notice of not less than thirty days.

8. Pending ratification by the Chilean Congress, the present agreement shall come into force provisionally on February 1, 1939, and, unless terminated in the manner provided in numbered paragraph seven of the present agreement, shall remain in provisional effect until after the expiration of one year, whichever date occurs first. If the agreement has not come into force definitively after expiration of one year from February 1, 1939, it may within the discretion of both governments be signed again and by this means be continued in provisional effect.

² EAS 26, *ante*, p. 562.

9. Both governments undertake immediately to initiate negotiations for the conclusion of a treaty of friendship, commerce and navigation.

Accept, Excellency, the assurances of my highest and most distinguished consideration.

NORMAN ARMOUR

His Excellency

Señor don ABRAHAM ORTEGA,
Minister for Foreign Affairs,
Santiago.

The Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

REPUBLIC OF CHILE
MINISTRY
FOR FOREIGN AFFAIRS
cd1B/SGP.
Commercial Policy Section

No. 1592

SANTIAGO, *February 24, 1939*

MR. AMBASSADOR:

I have the honor to confirm to Your Excellency the terms of the provisional commercial agreement which our respective Governments have agreed to establish pending the negotiation of a more comprehensive commercial agreement or of a treaty of friendship, commerce, and navigation, as follows:

[For terms of provisional agreement, see numbered paragraphs of U.S. note, above.]

Accept, Excellency, the assurances of my highest and most distinguished consideration.

ABRAHAM ORTEGA

To His Excellency Mr. NORMAN ARMOUR,
Ambassador Extraordinary and Plenipotentiary
of the United States,
City.